

Message Text

CONFIDENTIAL

PAGE 01 KUWAIT 01990 01 OF 02 051307Z

ACTION NEA-10

INFO OCT-01 ISO-00 AF-10 ARA-10 EA-10 EUR-12 IO-13
AID-05 CIAE-00 COME-00 EB-08 FRB-03 INR-10
NSAE-00 ICA-11 XMB-02 OPIC-03 SP-02 LAB-04 SIL-01
OMB-01 NSC-05 SS-15 STR-07 CEA-01 L-03 H-01 PA-01
INT-05 OES-07 DOE-15 SOE-02 CEQ-01 /179 W
-----122318 051326Z /42

R 050845Z APR 78

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 620

INFO AMEMBASSY ABIDJAN

AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY AMMAN

USINT BAGHDAD

AMEMBASSY BEIRUT

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CAIRO

AMEMBASSY CARACAS

AMEMBASSY DAKAR

AMEMBASSY DAMASCUS

AMEMBASSY DOHA

AMEMBASSY GENEVA

AMEMBASSY ISLAMABAD

AMEMBASSY JIDDA

AMEMBASSY KHARTOUM

AMEMBASSY LONDON

AMEMBASSY MUSCAT

AMEMBASSY NAIROBI

AMEMBASSY NEW DELHI

USMISSION USUN NEW YORK

AMEMBASSY PARIS

AMEMBASSY RABAT

AMEMBASSY ROME

AMEMBASSY TEHRAN

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUWAIT 01990 01 OF 02 051307Z

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

AMEMBASSY TUNIS

DEPT OF TREASURY

C O N F I D E N T I A L SECTION 01 OF 02 KUWAIT 1990

DEPT FOR NEA

USEEC

USOEC

E.O. 11652: GDS

TAGS: EFIN, KU, OPEN

SUBJ: KUWAIT FOREIGN ASSISTANCE, 1962-1977

1. SUMMARY: INTERNAL KUWAIT FINANCE MINISTRY REPORT INDICATES THAT, SINCE INDEPENDENCE (1961 AND THROUGH 1977, KUWAIT HAS GIVEN TOTAL OF \$6.2 BILLION IN AID (\$2.5 BILLION IN GRANTS, \$2 BILLION IN LOANS AND \$1.7 BILLION THROUGH MULTILATERAL INSTITUTIONS). KUWAIT CONTRIBUTED AN AVERAGE OF 9.4 PERCENT OF ITS GNP IN AID DURING 1970-1977, OR ROUGHLY \$11,000 PER KUWAITI OVER THIS PERIOD. FACT THAT TWO-THIRDS (\$2.9 BILLION) OUT OF TOTAL OF \$4.5 BILLION IN BILATERAL LOANS AND GRANTS WAS GIVEN BETWEEN 1974 AND 1977 INDICATES UPWARD TREND IN ASSISTANCE SINCE 1973 OIL PRICE RISE. INCREASE IN LOANS TO NON-ARAB COUNTRIES FROM 35 PERCENT OF TOTAL LOANS IN 1975 TO 48.5 PERCENT IN 1977 INDICATES BROADENING OF KUWAITI AID TO NON-ARAB WORLD. REPORT DOES NOT INCLUDE FIGURES FOR "DEPOSITS" MADE WITH LDC CENTRAL BANKS WHICH ARE UNLIKELY TO BE WITHDRAWN, AND MAY NOT INCLUDE \$700 MILLION CONTRIBUTION TO GULF CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KUWAIT 01990 01 OF 02 051307Z

ORGANIZATION FOR THE DEVELOPMENT OF EGYPT (GODE). HENCE, FIGURES CITED ARE, IF ANYTHING, CONSERVATIVE, AND SHOULD BE CONSIDERED MINIMUM ESTIMATE OF KUWAITI FOREIGN ASSISTANCE. END SUMMARY.

2. ECON CHIEF RECENTLY OBTAINED INTERNAL KUWAIT FINANCE MINISTRY STUDY, DATED FEB. 15, 1978, WHICH PROVIDES EXTENSIVE STATISTICS ON ALL KUWAITI ASSISTANCE FROM YEAR AFTER INDEPENDENCE WHEN SUCH AID BEGAN (1962) THROUGH DEC. 31, 1977. DETAILS, AND COPY OF REPORT, WILL FOLLOW BY AIRGRAM. SIGNIFICANT INFORMATION PROVIDED BY STUDY IS AS FOLLOWS.

3. TOTAL ASSISTANCE PROVIDED: SINCE 1962 KUWAIT HAS PROVIDED TO LDC'S APPROXIMATELY \$2 BILLION IN LOANS AND \$2.5 BILLION IN GRANTS. IT HAS CONTRIBUTED \$1.7 BILLION TO MULTILATERAL AID INSTITUTIONS, FOR A TOTAL OF \$6.2 BILLION IN FOREIGN ASSISTANCE. MOST OF THIS (\$5.45 BILLION) WAS GIVEN IN THE PERIOD 1970-1977.

4. AID TO GNP RATIO. TOTAL KUWAIT GNP FOR THE PERIOD 1970 THROUGH 1977 IS ESTIMATED TO BE \$58.3 BILLION. THE \$5.45 BILLION IN AID CITED ABOVE MEANS KUWAIT, ON THE AVERAGE,

CONTRIBUTED 9.4 PERCENT OF ITS GNP IN AID DURING THE PERIOD 1970 THROUGH 1977. SINCE THE AID FIGURE DOES NOT INCLUDE LARGE "DEPOSITS" MADE WITH LDC CENTRAL BANKS WHICH ARE UNLIKELY TO BE RETURNED, THE ACTUAL AID FIGURE, AND AID AS A PERCENTAGE OF GNP, IS PROBABLY HIGHER.

5. PER CAPITA AID: THE TOTAL OF KUWAIT NATIONALS AT THE END OF 1977 WAS ABOUT HALF A MILLION, LEADING TO A ROUGH FIGURE OF \$11,000 IN AID GIVEN PER KUWAITI OVER 1970-1977. SINCE KUWAITI POPULATION INCREASED BY 6 PERCENT ANNUALLY OVER THE PERIOD 1970-1977, THE PER CAPITA AID FIGURE IS IN FACT HIGHER. FOR CY 1977, TOTAL LOANS AND GRANTS IN AID AMOUNTED TO 7.50 MILLION, OR \$1,500 IN AID GIVEN PER KUWAITI. THIS FIGURE DOES NOT INCLUDE ASSISTANCE THROUGH MULTILATERAL INSTITUTIONS, CONFIDENTIAL

CONFIDENTIAL

PAGE 04 KUWAIT 01990 01 OF 02 051307Z

WHICH BROUGHT TOTAL ASSISTANCE IN 1977 TO WELL OVER \$1 BILLION, OR WELL OVER 2,000 PER CAPITA IN AID.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 KUWAIT 01990 02 OF 02 051305Z
ACTION NEA-10

INFO OCT-01 ISO-00 AF-10 ARA-10 EA-10 EUR-12 IO-13
AID-05 CIAE-00 COME-00 EB-08 FRB-03 INR-10
NSAE-00 ICA-11 XMB-02 OPIC-03 SP-02 LAB-04 SIL-01
OMB-01 NSC-05 SS-15 STR-07 CEA-01 L-03 H-01 PA-01
INT-05 OES-07 DOE-15 SOE-02 CEQ-01 /179 W
-----122314 051326Z /42

R 050845Z APR 78
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 621
INFO AMEMBASSY ABIDJAN
AMEMBASSY ABU DHABI
AMEMBASSY ALGIERS
AMEMBASSY AMMAN
USINT BAGHDAD
AMEMBASSY BEIRUT
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY CAIRO

AMEMBASSY CARACAS
AMEMBASSY DAKAR
AMEMBASSY DAMASCUS
AMEMBASSY DOHA
AMEMBASSY GENEVA
AMEMBASSY ISLAMABAD
AMEMBASSY JIDDA
AMEMBASSY KHARTOUM
/AMEMBASSY LONDON 2986
AMEMBASSY MUSCAT
AMEMBASSY NAIROBI
AMEMBASSY NEW DELHI
USMISSION USUN NEW YORK
AMEMBASSY PARIS
AMEMBASSY RABAT
AMEMBASSY ROME
AMEMBASSY TEHRAN
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUWAIT 01990 02 OF 02 051305Z

AMEMBASSY TOKYO
AMEMBASSY TRIPOLI
AMEMBASSY TUNIS
DEPT OF TREASURY

C O N F I D E N T I A L SECTION 02 OF 02 KUWAIT 1990

6. EXHAUSTIBLE RESOURCE. THE FINANCE MINISTRY STUDY RIGHTLY POINTS OUT THAT KUWAIT'S AID IS BASED ON DEPLETION OF THE EXHAUSTIBLE RESOURCE ON WHICH KUWAIT'S ECONOMY IS BASED, OIL. HENCE THE COUNTRY'S AID DRAIN IS GREATER THAN THAT FOR DEVELOPED COUNTRIES WHOSE ECONOMIES ARE LARGELY BASED ON RENEWABLE RESOURCES AND ECONOMIC ACTIVITY.

7. TRENDS. BECAUSE CONTRIBUTIONS TO MULTILATERAL INSTITUTIONS ARE NOT BROKEN DOWN BY YEAR IN THE STUDY, PRECISE FIGURES ON TRENDS IN AID PER YEAR ARE NOT AVAILABLE. HOWEVER THE FACT THAT TWO-THIRDS (\$2.9 BILLION) OF THE TOTAL OF \$4.5 BILLION IN LOANS AND GRANTS SINCE 1962 WERE GIVEN IN THE PERIOD 1974-1977 IS INDICATIVE OF AN UPWARD TREND IN ASSISTANCE SINCE THE 1973 OIL PRICE RISE. THE MODERATE INCREASE IN ANNUAL GRANTS AND LOANS FROM \$656 MILLION IN 1975 TO \$750 MILLION IN 1977 PROBABLY UNDERSTATES THE TREND, SINCE KUWAITI CONTRIBUTIONS TO MULTILATERAL AID FACILITIES HAVE INCREASED IN THE LAST 2-3 YEARS.

8. MORE AID TO NON-ARAB COUNTRIES. OF TOTAL LOANS AND GRANTS GIVEN IN THE PERIOD 1962 THROUGH 1977, THE REPORT INDICATES THAT 87.9 PERCENT WENT TO ARAB COUNTRIES, 4.5 PERCENT TO AFRICAN COUNTRIES, AND 7.6 PERCENT TO "OTHER" (MOSTLY ASIAN) COUNTRIES. GRANTS CONTINUE TO GO ALMOST ENTIRELY (98.8 PERCENT IN 1977) TO ARAB COUNTRIES. LOANS, HOWEVER, HAVE

INCREASINGLY GONE TO NON-ARAB COUNTRIES (48.5 PERCENT IN 1977
COMPARED TO 35 PERCENT IN 1975).
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KUWAIT 01990 02 OF 02 051305Z

9. COMMENT. IN ITS TABLE ON "KUWAIT SUBSCRIPTION TO THE
CAPITAL OF INTERNATIONAL AND REGIONAL INSTITUTIONS", REPORT
MAKES NOT MENTION OF \$700 MILLION KUWAIT CONTRIBUTION TO THE
GULF ORGANIZATION FOR THE DEVELOPMENT OF EGYPT (GODE). THIS,
AND FACT THAT NO FIGURES ARE GIVEN FOR "DEPOSITS" WITH LDC
CENTRAL BANKS WHICH ARE UNLIKELY TO BE WITHDRAWN, LEADS US TO
THE CONCLUSION THAT FIGURES OF FINANCE MINISTRY REPORT ON
KUWAIT FOREIGN ASSISTANCE ARE, IF ANYTHING, QUITE CONSERVATIVE
AND SHOULD BE CONSIDERED A MINIMUM ESTIMATE OF KUWAIT FOREIGN
ASSISTANCE FOR THE PERIOD 1962 THROUGH 1977.
MAESTRONE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, FOREIGN ASSISTANCE
Control Number: n/a
Copy: SINGLE
Draft Date: 05 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KUWAIT01990
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780147-0067
Format: TEL
From: KUWAIT USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780491/aaaacyzc.tel
Line Count: 244
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8b13eeb5-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3070793
Secure: OPEN
Status: NATIVE
Subject: KUWAIT FOREIGN ASSISTANCE, 1962-1977
TAGS: EFIN, EAID, KU
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/8b13eeb5-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014